

**ARTICLE APPEARED
ON PAGE 32**

WALL STREET JOURNAL

5 May 1986

. . . But the Military Ties Are Growing

FOREIGN INSIGHT

By JAMES P. STERBA

Staff Reporter of THE WALL STREET JOURNAL

PEKING—Gen. Yang Dezhi, veteran of the Red Army's famed Long March and deputy commander of Chinese troops during the Korean War, has outlived a lot of old American soldiers who were his bitter enemies in conflicts past.

But neither he nor they would have found it easy to imagine what this veteran communist revolutionary is doing right now: He's on a two-week tour of military installations in the U.S., hobnobbing with Pentagon brass, looking over the latest in U.S. weaponry and offering toasts to a deepening Sino-American military relationship.

As chief of the general staff of the People's Liberation Army, Gen. Yang is leading the highest-level Chinese communist military delegation ever to set foot on U.S. soil: a visitation of senior Chinese army, navy and air force commanders that comes after seven years of slowly building friendship that is deeper in private than it is in public.

Not Just War Stories

Before he left Peking early last week, the 76-year-old Politburo member said his U.S. visit "is not directed against a third country," a reference to the Soviet Union. U.S. officials, likewise, play down the visit in particular and the relationship in general. But a lot of things are going on here besides old warriors swapping war stories and war toys.

The two militaries have reached the stage of talking details on swapping troops for training, exchanging technological expertise and conducting naval exercises, according to Adm. James Watkins, U.S. chief of naval operations, who visited Peking last month and described the arrangements as a "new evolutionary relationship."

What was first described as an almost chance naval rendezvous in the South China Sea three months ago turns out to have been a carefully planned meeting of ships that exchanged signals and maneuvered for "four or five hours" in "coordinated exercises," according to Adm. Watkins. Flagships would have even exchanged executive officers at sea had the weather been better, he said.

Besides the proposed sale of \$550 million of avionics kits to make 50 Chinese F-8 jet fighters into all-weather aircraft, which would be the largest U.S. sale of military equipment to China to date, the Reagan administration is talking to the Chinese about selling LM-2500 turbine engines made by General Electric Co. to power Chinese navy destroyers.

The Byword: Go Slow

U.S. officials make a point of saying they aren't hard-selling. Other nations bought equipment too sophisticated to learn how to use and how to maintain. In the China relationship the byword is go slow, they profess.

One reason: the People's Liberation Army doesn't have much money to buy things. U.S. credits for foreign military sales are an answer. But the Chinese will make use of them sparingly, if at all.

Sino-American military intelligence co-

operation, a sensitive and secret matter especially to the Chinese, is where the deepest, if hidden, relationships appear to exist.

In 1979, shortly after the two countries officially recognized each other, China agreed to establish two U.S. signals-intelligence monitoring stations at Qital and Korla, in westernmost Xinjiang province, to monitor Soviet missile tests from Leninsk and Saryshagan, and to hone in on Soviet military communications.

The sites were reportedly built by Chinese with Central Intelligence Agency equipment and personnel and manned eventually by Chinese who pass data into a global network that feeds Western allies. The sites reactivated monitoring capabilities in Iran lost when the shah was overthrown.